

Stock Distress Signals: 21 Pointers That Tell You Why You Need a WMS

Warehouse management systems (WMS) are used widely in larger organisations where stock and order volumes demand high levels of control.

Smaller companies, although they hold less stock and handle fewer orders, mostly experience the same problems when handling physical stock. But these companies tend, initially at least, to use products only designed for stock control or inventory management. These are often modules provided as part of accounts or order processing systems.

These solutions can be OK for a business with smaller stock quantities and order volumes where physical stock is easy to manage. However, as your business expands it becomes riskier to rely on this type of system.

If you require absolute stock accuracy, you're going to need a system that controls stock in the 'physical' sense, or at least to be integrated with one that does. This is one reason why larger companies almost always consider a WMS to be essential.

There are common misconceptions about what a WMS does. Some smaller companies believe their inventory management systems do the same thing. In reality these applications usually fall far short of full WMS functionality.

Surprisingly, some people are still unaware that software is available to deal specifically with the problems of physical storage. As a result, many companies just continue to expand their business while enduring problems that the right systems could easily rectify.

This causes reduced efficiency, repeated errors and inaccurate stock information which can affect quality of service, customer retention and overall profitability. Perhaps the least acceptable situation is the practice of 'throwing in bodies'.

In some operations we've seen, rather than address the root problems of an error-prone, inefficient and overstretched operation the response has been simply to add more labour and increase business costs!

Now that cloud-hosted, subscription based systems like ours are available there are few reasons not to use an intelligent solution to tackle these problems. The monthly cost is likely to be a minimal sum compared with total labour and operating expenses, and will pay for itself rapidly in all but the smallest operations.

And with the benefit of open APIs, integration with your existing solutions to capture orders and provide accurate real time stock data is quick and easy to put in place.

The following list contains some common problem scenarios that should tell you – if you haven't already done so – that it's time to look at a WMS!

Problems at Goods Intake:

1) Time taken to process a goods receipt

Is this a time consuming process which could be streamlined for greater efficiency?

2) Errors in receipt data capture leading to problems

Are your data capture methods letting you down and causing knock-on issues?

3) Too many manual systems or software applications to update

Are you over-reliant on written records or double-keying on multiple systems?

4) Receipt process too labour/process intensive

Does receiving involve more people and procedure than necessary, leading to wasted time?

5) Time wasted looking for space for goods at receipt

Do your receivers spend time trying to find suitable space to place incoming goods?

6) Incorrectly located goods at putaway

Is stock being incorrectly located at putaway causing problems later?

Stock Management Problems

7) Problems with space optimisation

Is your space poorly managed because you have no real location control?

8) Can't adjust stock at location level – only numeric totals

Is it difficult to adjust stock correctly, causing inaccurate figures?

9) Poor traceability of adjusted stock

Is it difficult to record adjusted stock, causing unexplained stock write-offs?

10) Poor traceability of transferred stock

Can you transfer stock easily and maintain full traceability?

Picking and Despatch Problems

11) Stock not in correct location for picking

Do your pickers waste time looking for stock to pick?

12) Stock can't be found or insufficient to pick

Are you failing to fulfil orders because stock can't be found?

13) Finding stock depends on specific staff knowledge

Do you depend on key staff to know where stock can be found?

14) No automated rotation control

Do you pick short-dated or out of sequence stock in error?

15) Batch and serial number tracking

Can you record batch and serial numbered stock?

16) Incorrect stock being picked – poor verification process

Are you failing to catch pick errors at the right time?

17) Errors in despatch – inadequate checking process

Are you failing to stop incorrect orders being despatched?

18) Inadequate picking flexibility for your business

Does your present system allow you to pick stock for maximum efficiency?

19) Too much reliance on paper documentation

Are you reliant on paper documents to manage your pick process?

20) Management and supervisory time spent on error resolution

Are senior personnel spending costly time sorting out errors and issues?

21) Real time information shared with other systems not reliable

Is the stock information you share with other systems always accurate?